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**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

13                          In re: )  
14                          PG&E CORPORATION )                          Bankruptcy Case  
15                          )                          No. 19-30088 (DM)  
16                          - and - )                          Chapter 11  
17                          PACIFIC GAS AND ELECTRIC )  
18                          COMPANY, )                          (Lead Case)  
19                          )  
20                          Debtors. )                          (Jointly Administered)  
21                          )  
22                           Affects PG&E Corporation )                          Date: December 17, 2019  
23                           Affects Pacific Gas and Electric Company )                          Time: 10:00 a.m.  
24                           Affects both Debtors )                          Place: United States Bankruptcy Court  
25                          )                          450 Golden Gate Avenue  
26                          )                          Courtroom 17  
27                          )                          San Francisco, CA 94102  
28                          All papers shall be filed in the Lead Case, )                          Judge: Hon. Dennis Montali  
29                          No. 19-30088 (DM). )                          RE: Docket No. 5038 and 5076

**STATEMENT OF THE UNITED STATES OF AMERICA IN RESPONSE TO  
DEBTORS' MOTION PURSUANT TO 11 U.S.C. §§ 363(b) AND 105(a) AND FED. R.  
BANKR. P. 6004 AND 9019 FOR ENTRY OF AN ORDER (I) AUTHORIZING THE  
DEBTORS AND TCC TO ENTER INTO RESTRUCTURING SUPPORT  
AGREEMENT WITH THE TCC, CONSENTING FIRE CLAIMANT  
PROFESSIONALS, AND SHAREHOLDER PROPONENTS, AND (II) GRANTING  
RELATED RELIEF**

1           The United States of America, on behalf of various federal agencies, hereby responds to the  
2 *Debtors' Motion Pursuant to 11 U.S.C. §§ 363(b) and 105(a) and Fed. R. Bankr. P. 6004 and 9019 for*  
3 *Entry of an Order (I) Authorizing the Debtors and TCC to Enter into Restructuring Support*  
4 *Agreement with the TCC, Consenting Fire Claimant Professionals, and Shareholder Proponents, and*  
5 *(II) Granting Related Relief* (Dkt. No. 5038) (the "RSA Motion"), in which they seek approval of a  
6 restructuring support agreement (the "RSA") between them and, among others, the Official Committee  
7 of Tort Claimants ("TCC").

9           The United States does not object to the relief requested in the RSA Motion but files this  
10 statement to (1) address one assertion made in the Motion and (2) reserve its rights with respect to the  
11 Estimation Approval Motion described in the RSA Motion as well as the establishment,  
12 administration, and governance of the Fire Victim Trust.<sup>1</sup>

14           Resolution of All Prepetition Fire Claims

15           Various United States agencies have filed wildfire related claims aggregating approximately  
16 \$4.3 billion in these cases. The Amended Plan described in the RSA and Term Sheet propose to  
17 channel the United States' wildfire related claims to the Fire Victim Trust for resolution and  
18 satisfaction. The RSA Motion asserts that the RSA and Term Sheet "fully resolve the chapter 11  
19 plan's treatment of all prepetition fire claims" including "the claims asserted by the DOJ, FEMA, and  
20 certain California State agencies (including Cal OES and CAL FIRE)." *RSA Motion* at 9, n.3.<sup>2</sup> But as  
21 the Debtors' 8-K SEC filing announcing the RSA correctly noted, the United States is not a party to  
22 the RSA. And it was not involved in any way in the negotiations leading to it and has not otherwise  
23 settled its wildfire related claims. In other words, there is a significant creditor in these cases asserting

26           <sup>1</sup> Terms not otherwise defined herein shall have the meaning ascribed to them in the Motion and  
accompanying exhibits.

27           <sup>2</sup> To be clear, the Department of Justice has not asserted wildfire related claims in these cases.  
28 Other agencies of the United States, such as FEMA, the Small Business Administration, the Department  
of the Interior, and the Department of Agriculture, have done so.

1 wildfire related claims that does not view the RSA and Term Sheet as having fully resolved the plan's  
2 treatment of its claims. In essence, the only thing the RSA and Term Sheet resolved was how much  
3 consideration had to be in the Fire Victim Trust to satisfy wildfire related claims. The treatment of  
4 those claims through that trust is, however, still subject to the rigors of 11 U.S.C. § 1129 and a  
5 confirmation hearing. Accordingly, there remains much to be resolved, or decided by the Court, with  
6 respect to the Amended Plan's treatment of the United States' wildfire related claims, and the United  
7 States reserves all right with respect thereto.

8

9       Reservation of Rights

10       The RSA describes an Estimation Approval Motion, which will seek approval of a settlement  
11 of the Estimation Matters "provid[ing] for the aggregate estimation and aggregate allocation of the  
12 Fire Victim Claims in the amount of the Aggregate Fire Victims Consideration for all purposes in  
13 these Chapter 11 cases." *RSA Motion*, Ex. A, paras. 1(h) and (i).<sup>3</sup> The RSA Motion does not explain  
14 what "aggregate allocation" of Fire Victim Claims means but it seems certain to impact the treatment  
15 of those claims, including the United States' wildfire related claims, in relation to the Fire Victim  
16 Trust. The RSA further describes Definitive Documents defined broadly as any documents necessary  
17 to implement the RSA, the Amended Plan, or the Disclosure Statement. *Id.* para. 1(f). These  
18 documents presumably would include the Fire Victim Trust Agreement and the Fire Victim Claim  
19 Resolution Procedures, *RSA Motion*, Ex. B [Term Sheet], at 6-8, both of which relate to the  
20 establishment, administration, and governance of the Fire Victim Trust -- an issue of paramount  
21 importance to the United States' given the amount of its wildfire related claims. Accordingly, the  
22 United States reserves all rights with respect to the Estimation Approval Motion, the Disclosure  
23 Statement, the Amended Plan, the Definitive Documents, and the establishment, administration, and  
24

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28       <sup>3</sup> Estimation Matters is defined as the Debtors' section 502(c) motion filed in this Court (Dkt. No. 3091) as well as the estimation proceeding before Judge Donato in the District Court, Case No. 19-cv-05257-JD. *RSA Motion*, Ex A. para. 1(j).

1 governance of the Fire Victim Trust.

2 Date: December 16, 2019

Respectfully submitted,

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5 Assistant Attorney General  
DAVID L. ANDERSON (CABN 149604)  
United States Attorney

6 /s/ Matthew J. Troy  
7 RUTH A. HARVEY  
Director  
KIRK MANHARDT  
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MATTHEW J. TROY  
Senior Trial Counsel  
Attorneys for the United States

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11 **CERTIFICATE OF SERVICE**

12 I hereby certify that on December 16, 2019, I electronically filed the foregoing Statement with the Clerk  
of the Court by using the CM/ECF system, which will send a notice of electronic filing to all CM/ECF  
participants.

14 /s/ Matthew J. Troy  
15 Matthew J. Troy  
Senior Trial Counsel  
16 Attorney for United States